

FOR SETTLEMENT PURPOSES ONLY

Equilon Enterprises LLC (dba Shell Oil Products, US)

Summary of Penalty Calculation for Section 112(r)(7) Violations¹

Seriousness of Violation Component

Violation #	RMP Requirement	Regulation	Potential for Harm/Extent of Deviation	Penalty
1	Hazard Assessment	40 C.F.R. § 68.30(b)	Moderate/Minor	\$3,000
2	Process Safety Information	40 C.F.R. § 68.65(d)(1)(ii)	Moderate/Minor	\$3,000
3	Operating Procedures	40 C.F.R. § 68.69(a)	Major/Major	\$37,500 ²
	Management of Change	40 C.F.R. § 68.75(a)		
4	Mechanical Integrity	40 C.F.R. § 68.73(b) and (d)(2)	Moderate/Moderate	\$15,000
5	Five-Year Accident History	40 C.F.R. §§ 68.42; 68.168; 68.195(a)	Minor/Major	\$20,000

¹ Part 68 is included Shell's CAA Title V operating permit for the PSR as an applicable requirement. A single penalty is assessed for violating the Title V requirement and violating the underlying applicable requirement.

² This is the statutory maximum penalty for the a one-day violation for East flare release that occurred on February 20, 2015. For settlement purposes only, assesses a single penalty is assessed for violation of both failing to follow operating procedures and failing to implement management of change procedures.

(1) Economic Benefit Component	\$0³
(2) Gravity Component (for all violations except Violation 3)⁴	
a. Seriousness of violation (Program 3 Facility)	\$41,000
b. Duration of violation	
i. Total duration component: 60 months ⁵	\$41,000
c. Size of violator	
i. Net worth over \$100,000,001 (From Table IV) ⁶	\$82,000
d. Gravity component penalty (subtotal)	\$164,000
i. Inflation Adjustment ($\$164,000 \times 0.04345$) ⁷	\$7,126
ii. Adjustments	
(1) Degree of willfulness or negligence	\$0
(2) Degree of cooperation (20% decrease)	-\$34,225
(3) History of noncompliance (20% increase)	\$34,225
(4) Environmental damage	\$0
(5) Other adjustment factors	\$0
e. Total gravity component penalty (excluding Violation 3)	\$171,126
(3) Gravity component penalty for Violation 3	\$37,500
PENALTY	\$208,626

³ For settlement purposes only, EPA has not included an economic benefit component.

⁴ Violation 3 is a one-day violation and capped at the statutory maximum. It is therefore added to the penalty calculation after determining the penalty for the other violations.

⁵ Reduced the duration component so that it does not exceed the seriousness of the violation component (excluding Violation 3) as provided for under the ERP.

⁶ Reduced the size of violator component so that it does not exceed 50% of the total gravity-based penalty (before adjustments and excluding Violation 3) as provided for under the ERP.

⁷ The inflation rate was determined by considering three years of the penalty (2015 through 2017) at the then applicable rate of 1.02819 and two years (2018 and 2019) at the then applicable rate of 1.06635.